



April 5, 2006

Mayor Shawn Larsen

Council Members:

Donna Benfield – Council President
Farrell Young Christopher Mann
Rex Erickson Randy Schwendiman
Bart Stevens

City Staff :

Stephen Zollinger — City Attorney
Richard Horner – Finance Officer
John Millar — Public Works Director
Val Christensen – Building Official
Kurt Hibbert — Planning & Zoning Administrator
Blair Kay — City Clerk

7:00 P.M. – Pledge to the Flag

Roll Call of Council Members:

Consent Calendar: The consent calendar includes items which require formal City Council action, however they are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar for discussion in greater detail. Explanatory information is included in the City Council's agenda packet regarding these items.

- A. Minutes from March 22nd, 2006 meeting - Deferred
- B. Approve the City of Rexburg Bills

Council Member Erickson moved to approve the City Bills; Council Member Benfield seconded the motion; all voted aye, none opposed. **The motion carried.**

Public Comment: on issues not scheduled on the agenda (limit 3 minutes) - NONE

Mayor Larsen welcomed the Scouts to the meeting.

Presentations: - NONE

Committee Liaison Assignments for 2006:

A. Council Member Chris Mann: *Parks & Recreation · Museum Committee:*

The Museum Committee is continuing to catalog Museum donations. He indicated that Gabe Chariton from the Parks and Recreation Department reported 1,500 young people participated in Nordic Center events at the Municipal Golf Course last winter. The Recreation Department held a three on three basketball tournament in March. He thanked Gabe and the Recreation Department for their hard work.

Council Member Mann reported Mayor Larsen called him to be on the Westwood/Romance Theatre Committee. They had their first meeting tonight and eleven people attended. The Committee elected Joanna Carter to be the Committee Chair person. They elected Ronalee Flansburg for the secretary. They will be working on their bylaw for the Committee.

Insert: Westwood/Romance Committee Roster:

Omar Hansen, Roger Harris, Steve Buhnell, Brian Carter, Joanna Carter, Pat Huish, Ronalee Flansburg, Kent Arnold, Jacob Thatcher, Gary Benson, Val Johnson, Louis Clements, Dawn Wells, and Sheri Fullmer.

Council Member Mann mentioned the Parks and Recreation Committee met on April 03, 2006 to discuss the Spray Park in Porter Park. Brad Smith and Chris Moore from the Parks and Recreation Committee gave a presentation to the City Council. Brad explained the Committee members had done their "due diligence" to research facilities in other Cities. Chris Moore, Pat Burton, Greg Blacker, Rich Ballou, and Gabe Chariton met with Mayor

Larsen and Public Works Director Millar to review some options for the construction of the Spray Park.

Brad Smith as Committee Chair mentioned the Parks and Recreation Committee had been established many years ago as a liaison to the City Council (they don't report to Mayor Larsen, John Millar or Jack Bowman.) They receive special projects from the City Council to pursue. A year and a half ago the Committee was asked how to get something like a water feature in Porter Park.

Chris Moore as Vice Committee Chair reviewed the effort to add a water structure to Porter Park. Rich Ballou and Chris worked together on the water project. They looked at the entire park including the Carousel and landscaping. The Committee reviewed like size Parks in Nampa, Sun Valley, and Salt Lake that may work in Rexburg. They came up with some bids for like projects. What do we do with the slides? Can we add slides? Can we afford slides? The proposal was for the Spray Park and the slides would be built with donations. The plan for the Spray Park portion of the project was estimated to cost \$200,000. The City Council approved the fund for the Spray Park with the idea of getting a donation campaign together for the slides.

Bard Smith commented on the numbers that were given to the City Council. He mentioned Porter Park was an icon for the Community. How do we make Porter Park a gem for the City? They had an opening gala to start the preparation for the Spray Park in July, 2005. The fund raiser did not happen and the costs have risen significantly since July, 2005. The Committee is short about \$39,000 from the projected cost of \$271,000 to do the Spray Park. They could reduce the scope of the project, if the City Council does not want to allocate additional dollars for the project. Brad asked the City Council for questions.

Council Member Young asked how much equipment has been ordered. Brad said there is about \$22,000 of equipment the City has received from previous orders. The City Council discussed the possibility of reducing the sidewalks by about one half. The bucket facility on the Spray Park was discussed. The restroom costs were discussed. The renovation of the restrooms was budgeted a couple of years ago.

Council Member Benfield asked what components have been scaled down. The Play structure size was reduced and the cost went from \$98,000 to \$57,000.

Council Member Erickson asked about the final product. The smaller structure would be very nice at \$57,000.

Council Member Young asked if the Committee discussed moving the Spray Park funds to a swimming pool fund. The Committee, after lengthy discussions, does not think the City will have a pool for five or six years.

Mayor Larsen indicated to the City Council the current funds total \$200,000 plus \$32,000. A smaller version (1/2 size) of the Play structure would cost \$42,657.

Council Member Young asked Public Works Director Millar if the City crews would do the construction. John said the ground work would be done by the City crew. The rest of the project would go to bid. The total cost would depend on the bids.

Council Member Mann expressed thanks to Brad and Chris for bringing this project to the City Council for review.

Council Member Stevens asked if this was a stand alone project verses adding any additions to the facility in the future. Brad Smith indicated that it was a stand alone request. He went on to review the parking issues at Porter Park. The Committee concluded that a swimming pool should not be placed at Porter Park.

Council Member Benfield reviewed the proposal, noting the smaller structure proposal for more money. We know that a pool is a possibility. If a pool is possible by 2008, she would like to spend the money in the Louisiana Pacific property north of 2nd North. She knows there are a lot of people that would like the facility in Porter Park. She explored the idea of putting something else in Porter Park and relocating the water features to the LP property.

Mayor Larsen did not think the pool would be possible by 2008.

Council Member Benfield was uncomfortable with rushing on this project with short notice.

Chris Moore and the Committee were uncomfortable with coming to the City Council for more funding. They decided the best place to put that money was in Porter Park. They know that it may look like they are wasting money; however, they want to move forward.

Council Member Erickson is in favor of moving forward with the plan at Porter Park. He does not want to put a model T Ford in the Park when it calls for a Chevrolet. We have told the people of Rexburg that we would put a nice facility in Porter Park. He would like to see a nice facility with a bucket. We need benches for people to use to sit down. He understood that when the \$200,000 was dedicated by the City Council, the Committee would work on raising additional funds. He does not want to install the minimum project. He would like to make it nice. He would like to come up with the additional funding.

Chris Moore explained the Committee would take the City Council's direction and work on the desired amenities.

Council Member Mann agreed with Council Member Erickson and recommended approval of the project to move on for the benefit of the west side of the City.

Council Member Young agreed whole heartedly on the comments of Council Member Erickson. He would like to see this type of development in every City Park; however, It would be going away from larger paid facilities.

Council Member Schwendiman asked about the maintenance costs. John said it would an unsupervised facility because it was on a concrete slab. He did not estimate a maintenance cost; however, the maintenance cost may run from \$800 to \$1,000 for the summer months.

Council Member Stevens asked how much of the project is a contract bid verses an estimate. He asked if the City Council could see the bids before they make a decision. He wanted to pursue donations first. Public Works Director Millar said the equipment costs are there; however the concrete work and the restroom building are yet to be bid.

Mayor Larsen asked Financial Officer Horner for the costs that would be funded out of City's contingency budget. Financial Officer Horner explained there are \$22,000 in donations, \$10,000 in grants, and \$39,000 in contingency monies in the Spray Park fund.

Council Member Mann moved to allocate \$40,000 from the contingency fund to the Splash Park fund to finish off the Splash Park and order the equipment; Council Member Young seconded the motion; Discussion: Council Member Erickson asked if it was a stripped down model. Brad did not think it was a stripped down model. It has one less water slide.

Council Member Young discussed the bids and mentioned the final cost won't be known until the bids are opened.

Council Member Schwendiman would like some more time to review the bids before making the final decision. He would like to do it right and see the results from the fund raiser too.

Chris Moore asked the City Council to move forward with the Spray Park; thus, helping the fund raising effort. Council Member Mann suggested moving forward with the Splash Park and continue the follow-up fund raising effort for the bath house and the sidewalks.

Council Member Erickson said the City does not have to spend the money out of contingency if the donations come into the Spray Park fund. Mayor Larsen asked for any more discussion. Council Member Mann and Mayor Larsen suggested using any additional funds raised from the fund raising effort to add amenities to the project; i.e. lighting and flowers. Mayor Larsen called for a vote.

Those voting aye
Council Member Erickson
Council Member Young
Council Member Stevens
Council Member Mann

Those voting nay
Council Member Benfield
Council Member Schwendiman

The motion carried.

B. Council Member Donna Benfield: *Beautification Committee · Police Department update;*

Council Member Benfield reported the next Beautification Committee meeting is next Friday. She had nothing else to report.

C. Council Member Rex Erickson: *Airport Board · Planning & Zoning:*

Council Member Erickson mentioned the Airport Board met today. They did not have any issues to bring to the City Council. The Planning and Zoning Commission meets tomorrow.

D. Council Member Randy Schwendiman: *Golf Board · Traffic & Safety · Emergency Services Board:*

Council Member Schwendiman did not have anything to report.

F. Council Member Farrell Young: *Tabernacle Committee · Rexburg Arts Council:*

Council Member Young reported the Tabernacle Orchestra had a tremendous concert last week and the performance was great. The attendance was mediocre. They have a commitment from the performers for another concert on the 07th of June, at the same time as a City Council meeting. The City Council could meet earlier in the evening.

They have enough satisfaction out of the effort that they want to do it again. It is just great. He asked if the donations are spent in the year it is donated for the Arts Council. Financial Officer Horner mentioned the donated funds are carried over whether the fund balance is negative or positive.

G. Council Member Bart Stevens: *Trails of Madison County · IBC Committee:*

Council Member Stevens reported the Building Committee's questions on the Westwood Theatre. He asked if other performances are scheduled during the construction phase. Council Member Stevens was concerned with the age of the building, the volunteers working on the building, and the scope of work planned for the building. He asked if Charley Allen would inspect the building to avoid a conflict of interest before each performance. Council Member Young reviewed his motion at the last meeting to cover the City issues.

March 22, 2006, motion on the Westwood Theatre: “Council Member Young moved to form a Committee equal in stature and authority to the Tabernacle Committee, the Museum Committee and the Traffic and Safety Committee; and have them be responsible to the City Council; and put in the hands of that Committee the responsibility to bring a plan (not three or four plans) to the City Council; allow scheduled events to proceed; and not schedule any other events in the facility until the City Council is assured that the building is safe; Council Member Erickson seconded the motion; all voted aye, none opposed. *The motion carried!*”

Council Member Stevens moved to hire an outside inspector, Charley Allen, who would be scheduled by the City Building Official (Val Christensen.) The safety report from Charley would be required before the performances that are going on right now. Council Member Schwendiman seconded the motion; Discussion: Mayor Larsen indicated the building does have an occupancy permit and a building permit. **Council Member Young** made his motion in the March 22, 2006 meeting to ensure the commitment for scheduled events would be honored. Council Member Stevens amended his motion to inspect the building after the current scheduled commitments. Council Member Schwendiman amended his second to the motion; Discussion: Financial Officer Horner indicated the City's insurance

carrier, ICRIMP, may send an inspector too. Council Member Stevens was concerned with a conflict of interest with a City inspection of City property. Mayor Larsen called for a vote on the motion; all voted aye, none opposed. **The motion carried.**

H. Mayor Larsen: Mayor's Youth Advisory Board:

Mayor Larsen indicated the Youth Advisory Board is in the process of planning Pride Days/Arbor Days starting at 3:30 p.m. on April 28, 2006 for Evergreen/Kiwanis Park. They plan to do work on the entry way on Main Street into Rexburg too. The City received a grant to work on the entryways into Rexburg. The work will go towards the in-kind work for the grant. He asked the City Council to spread the word. The City will be presented "Tree City USA" award on the same day. It is the City's second year for this award.

Report on Projects: John Millar

Public Works Director Millar provided a quick update of some City projects:

1. Animal shelter will be insulated tomorrow. They are using green board sheet rock in areas where the water will come in contact with the sheetrock in the animal areas. Council Member Mann asked if it was coming in under budget. John said it was very close to budget. Council Member Schwendiman asked for a monthly project report from the Public Works Director.
2. Street projects were reviewed on a list Public Works Director Millar passed out to the City Council. Millhollow road has five side roads or driveways that will add additional cost to the project. These driveways are recorded as City streets. The two options for the connection of Millhollow Road and Shoshone Avenue were discussed. The City Engineer's approved drawing for the connection of Millhollow Road and Shoshone Avenue will be mailed to the residents living on these two streets for final comments with the City Council on May 03, 2006. Attorney Richard Smith asked to go on record stating that both options have some advantages. He was in favor of either proposal the City Council approves. He will support the decision 100%. Shoshone Avenue will be connected to 7th South in the future. It may need to have a little jog around a swimming pool. Public Works Director Millar reviewed the street width issues on Millhollow Road with the City Council. In the neighborhood meeting it was discussed that the Millhollow road width would be changed to thirty two feet. After reviewing City Standards and safety considerations, the decision was made to increase the road width to thirty four feet. This would allow for the standard twelve foot traffic lanes and an eight foot bike lane with a one foot ribbon curb on the edge. City Attorney Zollinger commented on the need to give direction to the City Engineer to fix the problem by converting a two dimensional drawing into a three dimensional design. Public Works Director Millar indicated Millhollow Road had deteriorated more this spring. He did not want to have an unsafe condition. The Engineering Department will put a detailed plan together to fix the problem.
3. Canal Bridge on 4th North can not be done this year because there is water in the canal.
4. Storm Drain for the University has not been negotiated.
5. Council Member Benfield asked about 2nd West from Main to 4th South. It is budgeted for 2008.
6. Morgan Street needs attention with Reed Street. These streets may be done at the same time as the Hospital project.

Public Hearings: - NONE

New Business:

A. Audit Presentation – Rudd & Company

Brad Reed from Rudd & Company passed out the 2005 Audit to the City Council. Mayor Larsen indicated the Oversight Committee met with Brad to review the budget for a couple hours last week. Brad expressed appreciation to the City Staff for their assistance in the audit. Brad reviewed the audit opinion which was an “Unqualified opinion.” It means the audit results were really good. He reviewed the Basic Financial Statements with the City Council. The current assets are \$8,793,591.00 on Page twenty four. The Total Net Assets (DEFICIT) is \$34,495,709. There is \$4,892,510.00 in Cash and Investments. Statement of Activities that is not profit motivated for a Governmental Budget is expense driven. These numbers are on page twenty five of the audit for net profit or loss and general revenues. The Balance Sheet is on page twenty eight. The Assets and Liabilities for the Revolving Loan Fund are balanced at \$2,144,847. The Golf Course fund had a net decrease in cash and investments of \$13,958.00 due to fewer fees collected. The land for the interior nine holes was paid off last year. The Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets shows Total Net Assets for Governmental Activities at \$17,932,660.

Financial Manager Horner explained the street budget is over the planned budget due to an amended budget at the end of the last fiscal year to show the value of new streets constructed by developers. Brad asked the City Council to review the report for the next two weeks. The audit is available at City Hall for review.

B. Resolution 2006-05 Proclaim April as “*FAIR HOUSING MONTH*”

Mayor Larsen explained the need to pass this resolution every year. The City applies for grants requiring the City to be a “Fair Housing City”. One of the grants is a Community Block Grant.



CITY OF
REXBURG
America's Family Community

Resolution 2006-05

WHEREAS, April 2006 marks the 38th anniversary of the passage of Title VIII of the Civil Rights Act of 1968, commonly known as the Federal Fair Housing Act; and

WHEREAS, the Idaho Human Rights Commission Act has prohibited discrimination in housing since 1969; and

WHEREAS, equal opportunity for all – regardless of race, color, religion, sex, disability, familial status or national origin – is a fundamental goal of our nation, state and Rexburg; and

WHEREAS, equal access to housing is an important component of this goal - as fundamental as the right to equal education and employment; and

WHEREAS, housing is a critical component of family and community health and stability; and

WHEREAS, housing choice impacts our children's access to education, our ability to seek and retain employment options, the cultural benefits we enjoy, the extent of our exposure to crime and drugs, and the quality of health care we receive in emergencies; and

WHEREAS, the laws of this nation and our state seek to ensure such equality of choice for all transactions involving housing; and

WHEREAS, ongoing education, outreach and monitoring are key to raising awareness of fair housing principals, practices, rights and responsibilities; and

WHEREAS, only through continued cooperation, commitment and support of all Idahoans can barriers to fair housing be removed;

NOW, THEREFORE, I, Shawn Larsen, mayor of the Rexburg), do hereby proclaim April 2006, to be

FAIR HOUSING MONTH

in the CITY OF REXBURG, Madison County, State of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand at Rexburg City Hall in Rexburg, Madison County, on this 05th day of April in the year of our Lord two thousand and six.

Shawn Larsen
Mayor

Blair D. Kay
City Clerk

Council member Mann moved to pass Resolution 2006-05 for “Fair Housing”; Council Member Erickson seconded the motion; all voted aye, none opposed. **The motion carried.**

C. Proposed yard waste pick-up dates – City residents (April 10, 2006 to May 12, 2006)

Mayor Larsen explained the yearly spring and fall program for picking up yard waste. The City crew picks up yard debris the same day as the garbage pick-up date. The City Council discussed the dates being the same as last year. They were agreeable with the dates for the yard waste clean-up.

D. Employee cost of living increase & Insurance cost review – Richard Horner

Financial Officer Horner explained the request for a delayed cost of living adjustment. The cost of living is calculated from the previous year. The Consumer Price Index (CPI) covering a year from January 05, to January 06, was four percent. He explained how the cost of living has gone up from three percent last year. The Employee Committee reviewed and approved this proposal and the cost of insurance proposal. Financial Officer Horner explained the employees are the City’s number one asset. This adjustment would keep the pay scales level with the cost of living increases.

Mayor Larsen reviewed the activities of the Employee Committee on Employee issues. He mentioned Ron Overson (Waste Water Department) and Chuck Velman (Water Department & Chair), as members of the Employee Committee; other members are Debra Lovejoy (Financial Department), Rick Schmitt (Police Department), Steve Holley (Fire Department), Brenda Godoy (Customer Service Department & Secretary), Max Egbert (Shop Department), and Brad Johnson (Building Department).

Finance Officer Horner reviewed the proposed insurance costs changes which would take effect May 01, 2006. The Employee Committee works to keep the costs low for the participants. Variables include the amount the employee pays on their deductible, Prescription card, Premium card, and how much premium the employee and the city pay for the benefits. The co-pay was explained with \$2,000 as the maximum co-pay. Fifty eight of ninety nine employees are on the family health insurance policy. The dental plan is for the husband and wife only. The dental insurance was reviewed as a percentage review with combined with the health insurance to give the employee and the City the best insurance plan.

Council Member Young mentioned the possibility of changing companies every year to get the best premium. He asked if the City could negotiate for a better premium. Finance Officer Horner explained the City did negotiate the amount down to a five percent increase.

Due to the number of employees in the program (close to one hundred), Richard explained the insurance company allowed a lower group rate for a five percent. A majority (about 80%) of employees were agreeable to the plan.

Council Member Schwendiman asked if the City is self insured on the deductible. Finance Officer Horner said the City saves a few thousand each year by being self insured. As of last month, there was about \$44,000 in the insurance savings account. The City purchases \$5,000 of insurance for the program. The employee has a \$500.00 deductible, leaving the City exposed to ninety percent of the claim or \$4,500. They discussed the benefit line item costs. Financial Officer Horner explained \$57,000.00 would be needed from the City to cover the \$80,000.00 cost change in the plan. The savings to combine the health insurance and the dental plan will contribute two thirds of one percent towards the cost of living increase.

Council Member Schwendiman asked in the four percent labor increase was directly correlated to the increases to the enterprise funds (water and sewer.) Financial Officer Horner explained the enterprise funds are reviewed independently from other budget processes. These funds do not follow the labor budget. They may go two or three years at the same rate based somewhat on the need for capital projects for those funds. Council Member Schwendiman reviewed the budgeting process and if the labor budget was the starting point or base for the preparation of the budget. He asked if the four percent could be changed later in the process. Financial Officer Horner explained that the labor was the base along with some capital projects. The final budget would not be approved until the City Council passes the Budget Ordinance.

Council Member Schwendiman asked how the labor increase would be funded. Financial Officer Horner explained some of the four percent is funded by enterprise funds and some of the four percent is funded by revenues.

Financial Officer Horner asked the City Council to approve the four percent cost of living increase for the employees and the dental change in the insurance program.

Council Member Schwendiman asked if it had to be approved now. Financial Officer Horner explained the City Council can change their minds at any time in the budgeting process.

Council Member Young asked about other insurances changing at this time or is it just dental and medical? Financial Officer Horner said the other insurance plans would remain the same.

Council Member Mann moved to approve the four percent increase in the cost of living for the City employees and the insurance change for the dental program; Council Member Benfield seconded the motion; Discussion: Council Member Schwendiman asked for clarification on the motion. Does it mean the four percent cost of living benefit will be set? Council Member Mann reaffirmed his desire to approve the four percent cost of living adjustment without changing it at a later time. Financial Officer Horner Richard said he would prefer to have a final decision now, instead of having to change the budget at a later time. A one percent increase in the labor budget for cost of living would be about \$37,000.00. The capital budgets are for hundreds of thousands of dollars. Deferral of the purchase of one car would pay for a one percent raise in the cost of living. Council Member Mann stated the motion is for a four percent cost of living adjustment, it is not a merit raise or a bonus. Mayor Larsen asked for a vote on the motion. All voted aye, none opposed. **The motion carried.**

E. 2006 Budget Calendar – Richard Horner

Financial Officer Horner asked the City Council to set the dates for the Budget Hearings. The Hearing date would be August 02, August 16, and Sept 06, 2006. This schedule would comply with State law for the Budget Ordinance to be passed by September 06, 2006. He discussed the schedule for the Department budget meetings from May 15, to May 19, 2006. The budget summary meeting will be in June. This meeting will take two to three hours. The tentative budget would be set at a meeting on July 19, 2006 in preparation for the Public Hearing on August 02, 2006.

Council Member Young moved to approve August 02, 2006 for a public hearing on the Budget for 2007 and 2008; Council Member Erickson seconded the motion; all voted aye, none opposed. **The motion carried.**

Financial Officer Horner reviewed the recent flood funding procedures. The loans which have been requested by several families are limited to \$4,000 for each applicant. The City did receive \$42,000.00 from ICRMP to help fund the loans. Most of the recipients have given positive feedback on the loan program; however, a couple of residents were dismayed that personal property was not covered at one hundred percent. Personal property is discounted based on wear and tear. CNA Insurance has not responded to any claims. The loans are 0% based.

Karen Arritt is the manager at Millhollow Mobile Home Park. She requested the City to contact the residents in the Park that had some sewer and other damage from the flooding last month. At this point, she indicated the residents had not been contacted by the City for a resolution to sewer and personal property damage. She requested the City send a letter to the residents in the Park.

Mayor Larsen indicated the City will contact them with a letter. Some of them have filed claims with the City. Financial Officer Horner asked Karen to supply the City with a list of names to contact. Karen said they have contacted the City and the City should have the names on file.

Request for Annexation and Rezone in the Impact Area (2540 West 1000 South)
– Continental Holdings, LLC (Brad Stauffer)

Brad Stauffer at 6255 Partridge Court in Ammon, Idaho, requested the annexation of properties off 12th West. He wants the City Council's input on the request to annex 254 acres without buildings.

Council Member Stevens asked if any water and sewer planning has been done. Brad said he would be meeting with the County on Monday to get their input. The requested zoning would be residential LDR2 or more of a mixed residential use. A land planner will help with the land planning and zoning. They want to annex all of the property at once and develop it in phases. Currently half the property is in the City Impact Area. They want the City Council's permission to move it forward.

Mayor Larsen said it will cause a discussion on increasing the City's Impact Area. Council Member Young indicated it could be done after county approval. Council Member Erickson noted it looks fine with some County and planning hurdles to cover.

Council Member Stevens asked about the Land Use Designation for the Comprehensive Plan in this area. Brad thought it was for residential development.

Calendared Bills and Tabled Items:

A. First Reading: Those items which are being introduced for first reading.

1. BILL 958 – Business Registration

City Attorney Zollinger explained a couple of apartment owners have contacted him in regards to the fees. They have requested lower fees. The Missoula fees were used as an example. This BILL has lower fees than the Missoula Ordinance. Each parking space that is registered has a bed associated with it. This BILL has a cap on fees of \$500.00 for apartment complexes. The BILL requires full disclosure to tenants whether there is parking or not parking for a tenant's car. Apartment owners have some concerns with the parking being associated with the fees. Parking stamps would be required for parking contracts to display on the contract if there is associated parking.

Mayor Larsen was concerned over the mobile home park issue. City Attorney Zollinger mentioned this BILL is not a zoning minimum requirement. It is simple to register and inventory businesses. Millhollow Mobile Home Park would register as a business with eighty parking stalls. A new mobile home in the Park would need two parking stalls.

City Attorney Zollinger indicated commercial transactions would need to be registered. It is a 100% registration. It is a Business inventory ordinance. The City can track changes businesses have made on their property to see if they are still in compliance with the City Ordinances.

Council Member Benfield asked about the purpose of this BILL compared to the licensing practices in the past. City Attorney Zollinger indicated that the City is discontinuing the verbiage of licensing and changing the title to a Registration Certificate. The fee is to cover the cost of the registration and the walk through of the business each year.

Council Member Benfield asked if there were any exceptions. City Attorney Zollinger indicated all businesses would need to register; even home businesses would register.

Council Member Young was concerned with the number of walk through that would be required.

Council Member Mann was concerned with the amount of walk through too. He disclosed a conflict of interest. Council Member Mann owns apartments with students and without students. He was concerned with the number of apartments to walk through. City Attorney Zollinger indicated Missoula, Montana has one and one half employees to do their compliance work. Provo, Utah uses three employees for their compliance reviews. Some of the reviews will be done by the Building Department when they do building reviews. Summer interns could be used to help with the reviews. Twenty businesses could be reviewed each day.

Council Member Stevens asked if it was too much of an intrusion for home businesses. Some businesses don't register. City Attorney Zollinger mentioned home businesses need to be monitored by a casual review to see if they remain compliant with the City Ordinances for home business. A resident does not want his neighbor to open a hair salon next door. The City Attorney reviewed some of the complaints he receives concerning home businesses. It happens year after year with some residential properties. Sometimes it is the same property with a new owner.

The City Council discussed the logistics for visiting every apartment every year. City Attorney Zollinger indicated to the City Council the City could review all apartments each year for compliance.

Council Member Young asked University Attorney Richard Smith how the University would consider this action. Attorney Smith said the University would applaud the action because it recognizes the importance of complying with the City code. It simple says just tell the student if he has parking or not. It is a good proposed Ordinance that brings honesty into the equation. The complaints will go down if the students have an understanding of the parking requirements. We are really happy to see the City go through this registration and life safety compliance walk through. The inspection is taken for parking compliance, fire extinguishers, and other life safety issues.

Council Member Schwendiman asked if the businesses walk through was on the same level as apartments. Attorney Smith said it was positive thing across the board. You can not count on CCR's (Restrictive Covenants) to do the job. It is the City's approval for businesses to locate within their borders. You can weigh intrusion verses the rights of the neighbors. The City can make sure a home business is compliant to the City Ordinances; to make sure a commercial business in not going on inside a residence.

Council Member Schwendiman was agreeable to match the parking with the beds; however, he was concerned with the City's ability to do the walk through of each business and the associated fees. Attorney Smith said it can be done. They are not lengthy reviews for apartments. Council Member Schwendiman did not want to take the businesses time to do the review. City Attorney Zollinger stated the City Council could monitor the review complaints and regulate the review process.

Council Member Benfield requested the review to be a friendly review. She asked to reduce the fees to be business friendly and increase the fines for non-compliance.

City Attorney Zollinger indicated the same person (with summer interns) can do compliance reviews and annual inspections over time. Annual inspections will dissipate the compliance complaints. He gave the example of a business that was not compliant and they were willing to pay the fine instead of becoming compliant. The Compliance Officer has visited this location five times this past week. It is cheaper to take the ticket instead of making arrangements to move his truck. City Attorney Zollinger has brought this BILL before the City Council because the City Council asked for a BILL to regulate duplexes and apartments. This BILL was written after reviewing Ordinances in Provo, Missoula, and a University City in Minnesota. They are rapid growth business communities. He used Missoula's fees and then cut them in half.

Mayor Larsen stated the challenge for the City is to find a way to track existing businesses and apartments. When someone comes in to City Hall claiming an approved use for an apartment, the City does not have a record of every apartment and its history. There has to be a way for the City to track this information. If the City Council wants to move forward with this BILL, they can first read the BILL tonight and make fee changes at the third reading.

Council Member Schwendiman noted an error on page four. The corrected sentence would read: "The number of available parking spaces must not be exceeded by the number of tenancy contracts entered into by the association."

Public Works Director Millar suggested the need to prepare a business plan on the proposal.

Council Member Schwendiman noted he was in favor of the registration process and the fee structure. He was concerned with the ability to conduct the walk through part of the BILL.

City Attorney Zollinger indicated he has no vested interest in the fee structure. He does not have enough financial information to make a decision on the fee structure. He took Missoula's at \$800.00 and cut it to \$500.00. He did not recommend passing an ordinance using violations to pay for enforcement. Don't build in a fine to fund the ordinance. Pass the ordinance in a way the City believes everyone will comply. Put the fee at the minimum amount needed to pay for the program as a break even program; then the fines would go into the General fund of the City.

Virginia Pratt was very concerned about the fees which would cost her about \$1,100.00 for two apartment complexes. She has students in Provo and they do not get inspected. If it is not policed, it hurts the people that play by the rules. City Attorney Zollinger explained the fees for Virginia would be closer to \$900.00 for her units because the cost is \$3.00 per bed with a \$500.00 minimum for each complex.

Jessica Pace with Rexburg Housing indicated they house more single students than the University. She was concerned with current contracts for the next season that are already signed. It would put her at a disadvantage if the BILL went into effect now.

Darren Helm from Rexburg Towing asked if parking would be affected. He was concerned with the students that are using City streets and lawns for parking. The City does not have night parking available in the winter on the streets.

Attorney Richard Smith stated the University will continue to comply with the City regulations. They regularly bring into the City parking inventories at the University.

Darren Helm was concerned for the students that are not allowed to park on City streets at night in the winter or at University parking lots at night.

Mayor Larsen wants the students to be aware of their parking status when they sign the housing contract. When they come to the University, they should know if they have a parking stall or if they do not have a parking stall.

Karen Arritt wants to review the new Subdivision Ordinance that John is editing. She is concerned with the current BILL on business registration and how it will affect her business at Millhollow Mobile Home Park. She is opposed to the current language.

Attorney Richard Smith recommended the fees could be set at a low level and then the City could evaluate them in a year to balance the fees with the costs. He referred to new mechanical fees for building construction. The University worked with the City to arrive at a mechanical fee that covered the City's costs for inspections.

Mayor Larsen reminded the City Council the fees could be adjusted at the third reading.

The City Council discussed the issue of regulating home businesses. City Attorney Zollinger mentioned the need to review commercial activities in residential homes. A business inspection in a home is not a detailed life safety inspection. These business review walk throughs would be minor life safety inspections for apartment complexes. Review items would be for exits being blocked, fire extinguishers on the wall, windows being nailed shut, etc. In the City of Rexburg's Life Safety Ordinance, a much larger list would be evaluated for a full scale life safety inspection that the building inspectors follow. New apartment complexes would need to meet the minimum life safety business review requirements that are readily visible. Every big community in the Country Attorney Zollinger is aware of does annual business inspections. Rexburg has never been that big in the past. If no one is going to a home based business to transact business, Attorney Zollinger could rationalize these businesses out of the BILL.

Council Member Erickson moved to consider BILL 958 first read; Council Member Young seconded the motion; Discussion: Council Member Schwendiman asked if other Cities have the same ordinance. City Attorney Zollinger indicated that this BILL registers four general areas. He continued to explain the cities that use a similar Ordinance. Council Member Benfield reviewed her concerns with the fees. City Attorney Zollinger commented on the cap minimum and maximum fees for each category. The maximum fee for an apartment complex is tentatively set at \$500.00. The proposed fees can be changed. Mayor Larsen reiterated the fees are tentative and they can be changed in the legislative process. Council Member Young would like to change the fee structure before the document is finalized. Council Member Erickson commented on some things in the BILL he needs to review before making further comments. Council Member Young said the BILL needs to have a first reading tonight or it will die without any action. Mayor Larsen asked the City Council to vote on the motion.

Those voting aye

Council Member Erickson
Council Member Schwendiman
Council Member Young
Council Member Benfield

Those voting nay

Council Member Stevens
Council Member Mann

The motion carried.

City Attorney Zollinger asked the City Council to provide additional comments to him on the desired fee structure.

B. Second Reading: Those items which have been first read. – NONE

C. Third Reading: Those items which have been second read. - NONE

D. Tabled Items: Those items which have been the subject of an affirmative vote to a motion to table: - NONE

Old Business: - None

Mayor's Report:

Mayor Larsen asked the City Council to approve the Westwood/Romance Committee:

Westwood/Romance Committee Roster:

Omar Hansen, Roger Harris, Steve Bubnell, Brian Carter, Joanna Carter, Pat Huish, Ronalee Flansburg, Kent Arnold, Jacob Thatcher, Gary Benson, Val Johnson, Louis Clements, Dawn Wells, and Sheri Fullmer.

Council Member Mann moved to ratify the Committee members for the Westwood/Romance Theatre; Council Member Stevens seconded the motion; Discussion: the group is working on bylaws for the Committee. All voted aye, none opposed.
The motion carried.

Mayor Larsen asked to appoint Jim Hirrlinger to the Impact Fee Committee to replace Mark Nygren.

Council Member Stevens moved to ratify Jim Hirrlinger to the Impact Fee Committee; Council Member Erickson seconded the motion; all voted aye, none opposed.
The motion carried.

Mayor Larsen reviewed some items that were taken out of the Contingency Fund.

1. **Legal Department** – \$2,000.00 request for documents from Sugar City on the North 2nd East Annexation Judicial Review.
2. **IT/Financial Management** – \$4,800.00 request for a new server for the Internet Service and Network Administration.
3. **Sanitation Department** – \$30,000.00 to put in a concrete floor and drain system in the new shop building.
4. **Building Department** – \$9,956.00 to finish the Annex Building. The project went over time and into 2006. \$5,056.00 has been charged so far this year. \$4,900.00 is needed to complete the brick on the back of the building.

Mayor Larsen explained the Hidden Valley Neighborhood is applying for the \$5,000.00 matching grant program from the City to do a sprinkler system for their neighborhood park. The money would buy sprinkler supplies. Council Member Erickson felt it was a good idea after two years. Council Member Stevens asked if there were Impact Fees available for this park. Finance Officer Horner said the fund has been depleted by work in other City Parks.

Council Member Erickson moved to go ahead with a grant for the matching fund for Millhollow Park; Council Member Mann seconded the motion; all voted aye, none opposed.
The motion carried.

Mayor Larsen mentioned upcoming meetings.

1. Spring seminar in Idaho Falls on April 21, 2006 for the Association of Idaho Cities.
2. Department of Commerce and Labor hear on April 24, 2006. It is an all day Event.
3. Senator Craig will meet with constituent on the 14th of April, 2006, at the City. The City Council, Medco Board and County Commissioners are invited.

Adjournment

Shawn Larsen, Mayor

Blair D. Kay, City Clerk